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THE CHRONICLE of Higher Education

ISSN 0009-5982

May 12, 1982 • $1.25
Volume XXIV, Number 11

News Summary

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Black students at Harvard University are protesting a decision to offer joint appointments to professors and visiting scholars in Afro-American studies. Story on Page 3.

Meharry Medical College is trying to gain access to teaching resources at two public hospitals in Nashville. Story on Page 4.

Business-school accreditors will have more leeway in evaluating programs under new standards adopted by the American Assembly of Collegiate Schools of Business. Story on Page 10.

Upper-income students will find it harder to obtain guaranteed loans under new rules issued by the Department of Education. Story on Page 11.

The transfer of the director of the federal Women's Educational Equity Act program has sparked the latest in a series of controversies surrounding the program. Story on Page 11.

A proposal to reserve 3 per cent of federal research funds for small businesses faces tough going in the House of Representatives. Story on Page 11.

Noam Chomsky, a noted linguist, is not afraid to use his status as a scholar on behalf of his political beliefs. Story on Page 19.

Demonstrators barricaded themselves inside the gates of Warsaw University to protest martial law in Poland. Story on Page 17.

South African police fired on demonstrators at the predominantly black University of Fort Hare in Cape Province. Story on Page 17.

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TIAA-CREF to Defer 'Unisex' Pensions Until Courts Resolve 2 Lawsuits

U.S. employment commission, New York State have found fault with proposed plans

By CHERYL M. FIELDS

NEW YORK

The Teachers Insurance and Annuity Association–College Retirement Equities Fund has told a federal judge that it will not begin offering a "unisex" pension plan until the courts resolve two lawsuits challenging the unequal payments that men and women now receive under its programs.

The insurance company has drawn up three plans in the past two years that would pay women who retire in the future the same monthly sums as men receive, based on contributions they make after a unisex plan is adopted.

However, either the Equal Employment Opportunity Commission or the New York State Superintendent of Insurance has found fault with each of the plans—on the grounds that they would discriminate against men or not offer all the advantages that the company's retirement plans now do.

The unisex plans were drawn up under the supervision of Judge Robert J. Ward of the U.S. District Court for the Southern District of New York to try to resolve a lawsuit filed against the insurance company and Long Island University by a female faculty member, Diana L. Spirt.

In April, 1981, the U.S. Court of Appeals for the Sixth Circuit heard arguments in another case, *Peters* v. *Wayne State University*, challenging T.I.A.A.-C.R.E.F.'s payment of lower monthly pension benefits to women, but it has not yet issued a ruling.

The lower benefits that female retirees now receive are based on "sex-segregated" mortality tables showing that the average woman lives longer than the average man and thus will collect benefits longer.

As a result of its difficulties in winning approval of the unisex plans, T.I.A.A.-C.R.E.F. said it had "made substantial efforts over the past several years to compromise and to settle the issues involved. Every effort has been rebuffed." Thus, the

Continued on Page 10, Column 1

NLRB Rules Professors at 3 Private Institutions Are Managers, Those at 2 Others May Bargain

By BEVERLY T. WATKINS

WASHINGTON

The National Labor Relations Board ruled last week that faculty members at three private institutions of higher education—Ithaca College, Thiel College, and Duquesne University's law school—are managerial employees and hence may not engage in collective bargaining under federal labor law.

At the same time, the board ruled that faculty members at Bradford College are not managerial employees under the National Labor Relations Act and therefore may form a union and negotiate with their institution. It issued a similar ruling in a case involving physicians at Montefiore Hospital and Medical Center, who are also faculty members at the Albert Einstein College of Medicine of Yeshiva University.

The decisions resolved 5 of an estimated 40 academic-collective-bargaining cases that have been pending before the N.L.R.B. as a result of the U.S. Supreme Court's decision more than two years ago in the *Yeshiva University* case.

In a 5-to-4 decision, the Supreme Court ruled that faculty members at Yeshiva, a private, religiously affiliated institution in New York, were managerial employees who were not authorized to bargain under federal labor law. The majority opinion held that the faculty members, who "effectively determined" the curriculum and made decisions about hiring, promoting, and awarding tenure to faculty members, had so much authority over academic matters and institutional policies that, essentially, they ran the university.

The N.L.R.B. has come under increasing

Continued on Page 12, Column 1

Probing the Lives of California's Fierce Elephant Seals

By KIM McDONALD

SANTA CRUZ, CAL.

Striding confidently along the beach, Burney J. Le Boeuf turns to an apprehensive companion following close on his heels. "They can move very fast," he says, pointing to several one-ton, torpedo-shaped behemoths nearby who glare and bellow threateningly. "So you want to be in a position to move."

Every year, between mid-December and mid-March, thousands of elephant seals jam Año Nuevo, a stretch of beach south of San Francisco, to mate, molt, and give birth. And every year, Mr. Le Boeuf and his students at the University of California at Santa Cruz come here to record the births, deaths, and social behavior of these little-known pinnipeds.

A biology professor at the Santa Cruz campus with a doctorate in psychology, Mr. Le Boeuf believes elephant seals are ideal creatures from which to learn how social and reproductive behavior can affect the survival and evolution of a species.

Their large size and the fact that they interact socially on an open beach, "not in a jungle," make them easy subjects to observe. Elephant-seal bulls—which sport the trunk-like snouts that give

Continued on Page 8, Column 1

UNIVERSITY OF CALIFORNIA AT SANTA CRUZ

Santa Cruz Biology Professor Burney J. Le Boeuf

THE MINTER-BOWEN REPORT, PART I

Despite Economic Ills, Colleges Weathered the 70's with Larger Enrollments and Stronger Programs

By W. JOHN MINTER
and HOWARD R. BOWEN

American higher education faces the possibility of austerity greater than at any time since the Great Depression and World War II.

The authors believe that recent developments will be more meaningful if they are seen in the context of trends over the decade from 1969-70 to 1979-80.

In the early 1970's, it was widely believed that the private sector of American

higher education was on the brink of disaster.

Many stories were circulated and books and articles written to the effect that the private sector was deteriorating and that many private institutions had already expired or were on the verge of doing so. Later on, there were similar concerns about the financial position of the public sector.

Nevertheless, the environment of American higher education in the 1970's enabled most institutions to maintain their poise and survive. They were able to hold their organizations together, provide reasonably good education, and still balance their budgets.

But the decade was a time of sustained financial stringency.

Revenues were essentially level (after adjustment for inflation and enrollment growth).

Merely to keep revenues level, it was necessary for most institutions to maintain their enrollment. That usually involved increased cost for student recruitment and student aid, and often required the introduction of popular new courses and fields of study—for example, business administration, law, computer science, and medical technology.

Moreover, some regular costs were rising faster than the rate of inflation—for example, energy, books, scientific equipment, and building materials. Given level resources, to cover the costs that were increasing it was necessary to compensate by cutting other costs. This the institutions did primarily in three ways:

▶ They effected innumerable little economies—for example, by cutting energy use, shortening library hours, reducing faculty travel and assistance, eliminating memberships in professional associations, dropping football, resorting to increasing numbers of part-time faculty members, rotating young, nontenured faculty members, cutting the quality of food, shortening the academic year.

▶ They deferred the maintenance and replacement of assets.

▶ They reduced the real compensation of faculty and staff members.

Those devices were adopted in ways that would keep the institutions operating without obvious impairment of educational performance, and yet keep the budget in balance. In this process faculty and staff compensation was the residual adjustment item in the budget. Compensation in real terms had to be reduced to whatever extent was necessary to make ends meet.

Births and Deaths

The widespread fears in the early 1970's that the ranks of private colleges and universities would be decimated proved to be unfounded. The great majority of institutions were able to adjust to mildly depressed conditions. Although there were deaths among the private institutions, there were also births. Most of the deaths involved small and obscure institutions that had never taken root and a few that were victims of poor management. There were no Penn-Centrals or Chryslers, and no significant decline in overall number of institutions.

Public Attitudes

Public attitudes toward higher education during the 1970's remained on the whole favorable. True, the attitudes were less euphoric—perhaps more realistic—than they had been in the 1950's and 1960's. Yet study after study showed that both students and alumni were appreciative of their college experience. Most members of the public expressed favorable views toward higher education. Parents in particular indicated overwhelmingly that they hoped and expected that their sons and daughters would attend college.

Enrollment

More convincing than public attitudes are the facts on enrollment. Between 1969-70 and 1979-80, the number of people attending college rose from 8 million to 11.6 million, an increase of 45 per cent. In terms of full-time-equivalent enrollment, the increase was from 6.3 million to 8.5 million, a gain of 35 per cent.

There were important shifts in the composition of the student population—relatively more women, more older students, more two-year-college students, more part-time students, and more minorities—reflecting a major advance in the democratization of higher education.

Toward the end of the decade, the rate of gain slowed. But certainly there was no decline in overall public participation in higher education.

Changes in the ability levels and secondary-school participation of students were mixed. Generally the institutions reported little change in their ability to attract and retain qualified students. But they were almost vociferous in their complaints about the deterioration of the high-school preparation of their students.

The shifts in the composition of the student body necessitated substantial curricular and administrative changes and generally complicated the educational task.

Faculty

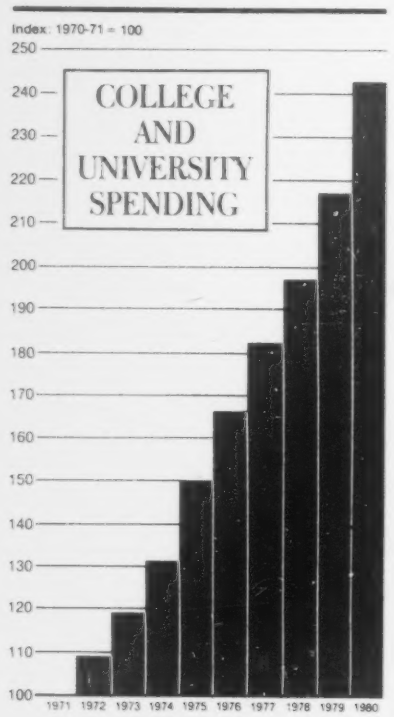
During the 1970's, the institutions were able to achieve a slight increase in the ratio of faculty members to students. Nationwide, the ratio (in full-time-equivalents) was about 1 to 14.7 in 1969-70 and 1 to 14.1 in 1979-80.

The colleges and universities also granted substantial increases in faculty compensation, amounting to about 60 per cent. But much of that was eroded by inflation. In real dollars, the rate of faculty compensation declined over the decade by about 19 per cent. Indeed, faculty members (together with administrators and general-service workers) bore the brunt of the financial stringency that occurred during much of the 1970's.

Nevertheless, the institutions were able to maintain qualified faculties. They reported overwhelmingly that the competence and performance of the faculty were improving.

Clearly, the reduction in real pay was not sufficient to cause a stampede out of academe.

There was a great deal of concern and discussion about tenure during the 1970's. The percentage of faculty members with tenured appointments increased slowly,

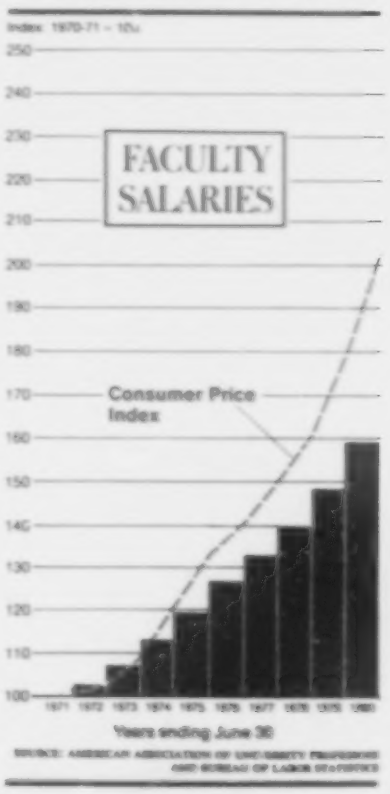

Index: 1970-71 = 100
COLLEGE AND UNIVERSITY SPENDING
Years ending June 30
SOURCE: NATIONAL CENTER FOR EDUCATION STATISTICS

and at the end of the decade the proportion with tenure was about 68 per cent in the public sector and 56 per cent in the private sector. Institutions became increasingly cautious in the granting of tenure, and some of the fears about excessive tenure did not materialize.

The proportion of women on the faculties increased slowly in the 1970's, and by 1979-80 had reached 26 per cent of the full-time instructional faculty.

There was also a substantial increase in the proportion of part-time faculty members—from 22 per cent of those ranked as instructor or above in 1969-70 to 31 per cent in 1979-80.

In general, the position of the faculty appears to have held steady during the 1970's, surprisingly so in view of the substantial cut in real pay.



Administrative and General-Service Staff

Information about the administrative and general-service staff is relatively scarce, but it is apparent that the numbers in these groups increased somewhat more than the numbers of faculty members, and also that their dollar compensation increased more (or their real compensation decreased less) than that of the faculty. Thus, the share of college and university budgets going to administration and general-service employees increased during the 1970's. Those changes occurred not because they were desired by academic lead-

Continued on Following Page

Higher Education in the 70's

Continued from Preceding Page

ers but because of new functions and obligations that had been imposed on the institutions.

Retrenchment

In all of our surveys, we tried hard to learn whether the financial stringency of the 1970's was leading to the cutting back of essential activities. In many different ways, we tried to elicit information about the dropping of educational programs, curtailment of student services, inability to launch new activities, etc.

Over all, we found little evidence of programmatic retrenchment. Rather, despite the reality of slowly tightening budgets, we found many indications of expansion—even proliferation—of activities, strengthened programs, and, surprisingly, of cautious confidence and morale. Those results were surprising to us. We had expected to find desperation; what we really found was restrained confidence. The explanation, of course, was that in the effort to adapt operations to changing market demands, institutions were diversifying and strengthening programs.

Revenues and Expenditures

As part of our review of higher-education trends in the 1970's, we made a careful survey of institutional finances. This included an examination of operating revenues and expenditures and also of assets and liabilities.

Our financial data were exceptionally reliable. They were based on audited financial statements of our sample of institutions, and were reinforced by similar data from many other institutions. The financial statements as submitted by the institutions were edited to meet the guidelines of the American Institute of Certified Public Accountants and the National Association of College and University Business Officers, and the edited versions were verified by the reporting institutions themselves. Moreover, in retrospect, our sample data were verified by reference to the aggregate figures issued by the National Center for Education Statistics.

Current operating revenues and expenditures of all colleges and universities increased from about $21.5-billion in 1969-70 to about $55-billion in 1979-80, an increase of 156 per cent. When these figures are adjusted for changes in the general price level (as measured by the Consumer Price Index), the increase is reduced to about 36 per cent. And when the figures are further adjusted for the growth in enrollment over the decade, the increase becomes negligible—less than 1 per cent.

The conclusion from those figures is that there was no appreciable change in the level of financing over the decade of the 1970's. That was true of both the public and private sectors.

Between 1969-70 and 1979-80, however, there were some minor ups and downs. In the early years of the decade, revenues (after adjustment for inflation and enrollment growth) increased by about 3 per cent, the high point being reached in 1972-73. After that there was a decline of about 8 per cent, the low point falling in 1975-76. Thereafter, there was an increase of about 6 per cent. The net of all these changes over the decade was an increase of 1 per cent.

Given the possibility of statistical error, it would be prudent to say merely that with some ups and downs, revenues kept pace with inflation and enrollment.

The sources of revenue, as measured by the percentage distribution from various sources, remained fairly steady through the 1970's—as indeed they have over many decades. The percentage from tuition and from direct payments of the federal government declined perceptibly, the long downward trend in the percentage derived from endowments continued, and the percentage from state governments increased somewhat.

One significant change that probably reflects an important trend is the partial shift of support for the two-year colleges from local to state government.

But on the whole, despite much sound and fury in the financing of higher education, the relative position of the several sources—tuition, direct appropriations from federal, state, and local governments, private gifts, and endowment income—remained fairly constant. One qualification is that because of increasing federal aid to students, federal dollars indirectly reaching higher education increased substantially. Similarly, the distribution of expenditures among various activities such as instruction, research, public service, student services, plant operation, and others did not change very much in the 1970's.

The one trend that bears watching is the slow decline in the percentage of institutional budgets devoted to instruction. That appears to have occurred in most types of institutions, public and private, and to have been most pronounced in the case of research universities. It is doubtless a sign of financial stringency in the face of the increasing demands for energy, student aid, maintenance, and other nonacademic costs.

Assets and Liabilities

To complete the financial analysis, we now turn to the balance sheets of colleges and universities in which their assets, liabilities, and fund balances (net worth) are reported. These data have limitations.

This is so partly because assets are carried in the institutional accounts at their acquisition value, which, in an inflationary period, understates their present value, and partly because the meaning of both assets and liabilities is ambiguous for public institutions, which have the financial power of the body politic behind them. Nevertheless, some relevant evidence can be drawn from these data.

In general, for the private sector they reflect stability. There was no widespread resort to borrowing, and the indebtedness at the end of the decade (after adjustment for inflation) was no greater than at the beginning.

There was some increase in interfund borrowing [temporary transfers between accounts within an institution]—often a sign of financial stress. This was especially evident among the research universities, the less selective liberal-arts colleges, and the two-year colleges. The various financial ratios—current liabilities to current assets and total liabilities to total assets, for example——improved somewhat over the decade.

For the public sector, the situation was perhaps a little less favorable.

Over all, the burden of debt was de-

Articles Will Analyze Trends in U.S. Higher Education

This is the first of a four-part series by W. John Minter and Howard R. Bowen on trends in American higher education. It continues, in a new format, a series of six studies published over the period 1975 to 1980.

"In view of the uncertainty and fluidity of the situation as seen in the early 1970's, we decided to conduct a continuing study of educational and financial trends based on samples of American colleges and universities," the authors say. "The purpose was to monitor the progress of our colleges and universities, distinguishing between rumor and fact and providing an early warning system in case of serious trouble."

Mr. Minter is a higher-education consultant in Boulder, Colo., and Mr. Bowen is professor of economics and education at the Claremont Graduate School.

Their previous reports were: *Private Higher Education*, published by the Association of American Colleges in 1975, 1976, and 1977; *Independent Higher Education*, published by the National Association of Independent Colleges and Universities in 1978 and by the National Institute of Independent Colleges and Universities in 1980; and *Preserving America's Investment in Human Capital*, published in 1980 by the American Association of Community and Junior Colleges, the American Association of State Colleges and Universities, and the National Assocation of State Universities and Land-Grant Colleges.

The next three parts of the series will present the authors' data on trends in higher education for 1980-81 and 1981-82. Part II will cover students and faculty members; Part III will deal with the learning environment; and Part IV will present a financial analysis and conclusions.

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clining somewhat. However, short-term debt was increasing as a percentage of total debt. There were modest increases in particular kinds of short-term debt, especially among the doctorate-granting, comprehensive, and two-year institutions.

But those were all minor changes—straws in the wind—not signals of impending disaster.

Individual Institutions

Finally, in our studies of the progress of higher education during the 1970's, we tried to consider differences among individual institutions.

Most of our data generalize about the higher-education community as a whole, or about particular types of institutions taken as a group. This collective approach conceals differences among institutions.

Even though the mass of institutions were surviving or even prospering, there were always some that were suffering reverses, and a few that were in dire straits.

From year to year, we tried to identify institutions that were "losing ground." Each year, we judged that perhaps 20 per cent were in that category.

We learned, however, that colleges and universities were tough. In facing adversity they were usually resilient enough to rectify their problems. So our list of distressed private institutions changed from year to year, and few of the institutions actually expired after the mild shakeout in the early years of the decade.

Our conclusions about the public sector were different, because public institutions do not face bankruptcy. They may face declining resources, externally imposed changes of mission, or even liquidation, but with the financial power of a governmental unit behind them, they do not ordinarily go broke.

What happens to them becomes a political decision rather than a financial happening.

Nevertheless, we found among them differences in fortune—some gaining ground, some holding steady, and some losing ground. And our opinion was that the public institutions were faring a bit less well than the private institutions.

Generally, in the private sector, we found the greatest financial strength among the more selective liberal-arts colleges and the least in the less selective liberal-arts colleges and two-year colleges.

In the public sector, we found the greatest strength among the doctorate-granting universities and the least among the comprehensive universities and colleges.

Intangibles

In reporting on the progress of higher education during the 1970's, we would be remiss if we did not mention some intangible factors, which cannot be readily quantified or documented.

Many institutions have undoubtedly accumulated vast amounts of deferred maintenance of assets:

- ▶ Deferred maintenance of buildings, grounds, and equipment.
- ▶ Deferred replacement of worn-out or obsolete assets.
- ▶ Drawing down of reserves.
- ▶ Using for current operations gifts that should have gone into endowments.
- ▶ Failure to keep the library collection up to date.
- ▶ Failure to maintain inventories.
- ▶ Failure to purchase new equipment to keep pace with changing technologies.

Similarly, the failure to keep faculty and staff compensation rising with inflation and with increasing pay in other industries employing comparable labor may have impaired the ability of higher education to maintain its greatest asset, namely, its faculty and staff.

Educational quality may have slipped in ways that are not readily noticeable:

- ▶ The institutions have become very large, and may suffer from the impersonality and bureaucratic mentality associated with size.
- ▶ The relative number of commuter and part-time students has increased relative to the number of resident students.
- ▶ The number of part-time faculty members has increased, and the number of insecure nontenured faculty members has increased.
- ▶ Perhaps most important, the excessive vocational interests of students and the extreme market orientation of institutions may have resulted in overly vocational education and weakening of standards.

9 Private Colleges in Illinois Found Perilously Shaky

Nine private colleges in Illinois are in such bad financial shape that they may have difficulty surviving the next few years, a report to the Illinois Board of Higher Education said last week.

The colleges, which were not identified in the report, had deficits in fiscal 1980 equal to 12 per cent or more of their current revenues. Over the five fiscal years, 1976 through 1980, they had annual deficits averaging 4 per cent of revenues, the report said.

The study of Illinois private higher education from fiscal 1976 through fiscal 1980 found that most of the 52 institutions involved had maintained their financial strength.

The nine most troubled colleges are primarily undergraduate institutions, the report said. Seven had fewer than 1,000 students.

"Projected enrollment decreases suggest that institutions operating on close financial margins will have further difficulty," the report said. "In addition, cutbacks in federal student aid could impair the ability of students who have financial need to enroll in independent institutions."

For private higher education generally, the report said, revenues and expenditures kept pace with inflation and revenues exceeded expenditures in each of the five fiscal years studied.

Endowment funds of the private institutions grew at an annual rate of more than 7 per cent, and income from endowment grew at an annual rate of 13 per cent, according to the report. State spending for private higher education increased at an annual rate of 7.8 per cent.

The competitive position of faculty salaries deteriorated somewhat during the five years and spending for libraries and maintenance slipped below the inflation rate, the report said.

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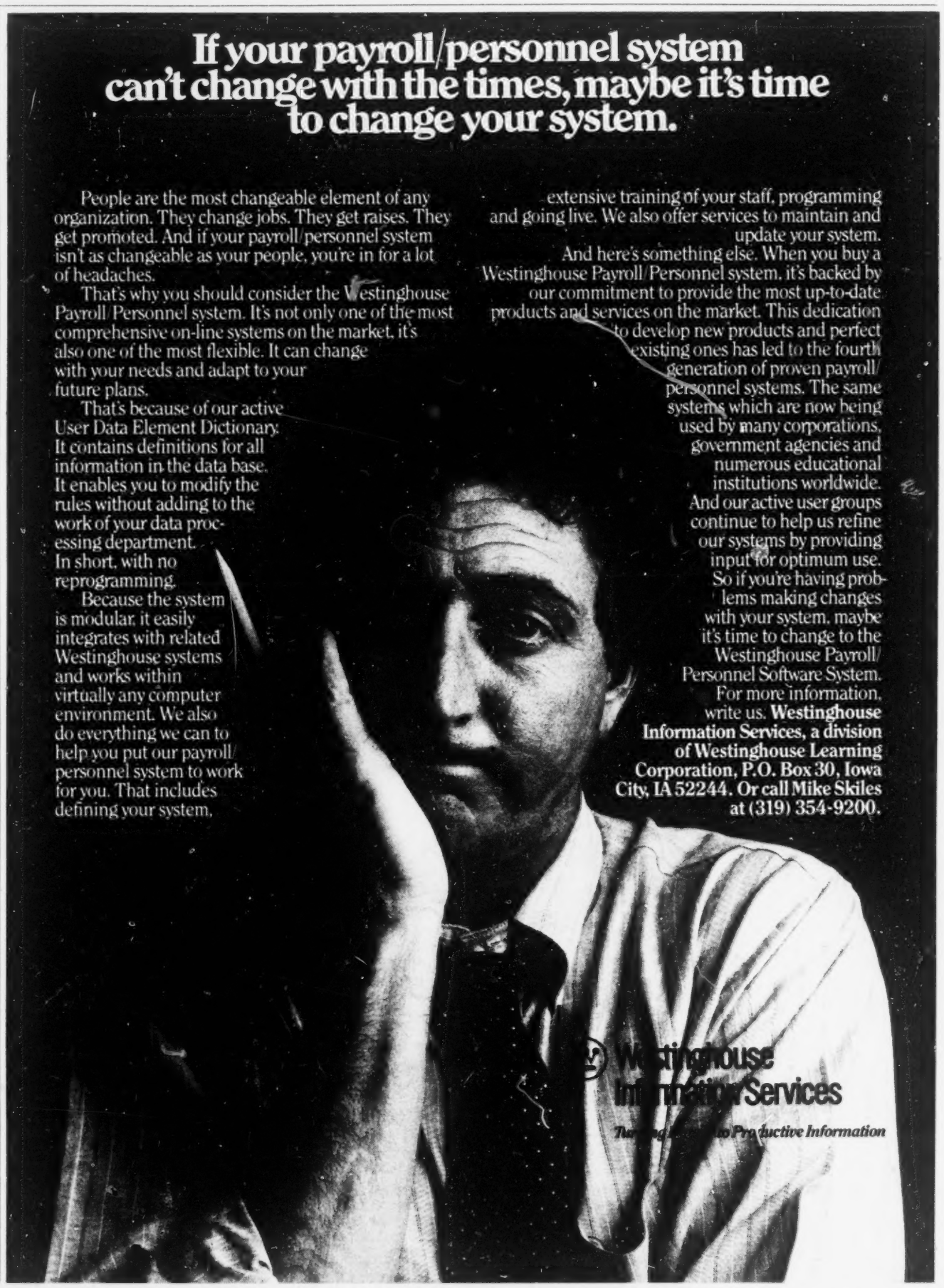

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Diversification of Investments in Pension-Fund Portfolio

The following table shows the distribution of common-stock investments, by industry, of the College Retirement Equities Fund, a nonprofit organization operating pension programs for college and university faculty members.

The investments had a market value, as of last December 31, of $8.9-billion. For calendar 1981, C.R.E.F.'s stock investments experienced a net loss—dividends minus an overall decrease in market value—of 1.46 per cent.

	Calendar years		
	1979	1980	1981
Aerospace	1.23%	0.88%	0.62%
Air transport	0.18%	0.16%	0.14%
Aluminum and other nonferrous metals	3.18%	2.93%	2.33%
Banks	2.40%	2.43%	2.39%
Beverages	1.29%	1.17%	1.38%
Broadcasting	0.61%	0.82%	0.80%
Business services	0.59%	0.36%	0.36%
Chemicals and textiles	3.52%	3.44%	3.50%
Construction and mining equipment	1.57%	1.32%	1.14%
Construction materials and homebuilding	0.75%	0.44%	0.50%
Containers	0.63%	0.47%	0.52%
Cosmetics	1.48%	1.12%	0.85%
Drugs	2.95%	3.13%	4.90%
Electrical equipment	4.99%	4.94%	4.81%
Electronics	0.97%	1.62%	1.21%
Food and related products	1.38%	1.21%	1.74%
Food stores	1.59%	1.18%	1.21%
Forest products	0.26%	0.26%	0.35%
Hotels and restaurants	0.00%	0.00%	0.70%
Household goods and products	3.50%	3.09%	2.67%
Instruments	1.27%	1.58%	1.24%
Insurance	5.81%	4.27%	4.61%
Leisure time	1.18%	1.16%	1.22%
Machinery	1.54%	1.49%	1.28%
Motor vehicles, equipment, and tires	5.69%	3.85%	3.22%
Multi-industry	0.00%	1.08%	1.23%
Newspapers	0.91%	0.89%	0.82%
Office machines	8.88%	8.11%	6.57%
Paper products	3.93%	3.26%	2.52%
Petroleum, domestic	3.39%	5.62%	6.35%
Petroleum, international	10.13%	11.65%	8.47%
Petroleum services	3.15%	4.32%	3.68%
Photographic equipment	1.14%	1.22%	1.20%
Publishing	0.77%	0.91%	0.97%
Railroads	0.86%	1.59%	1.51%
Retail trade	1.24%	1.54%	1.39%
Savings and loan	0.42%	0.14%	0.28%
Steel	0.62%	0.65%	0.73%
Textile	0.13%	0.00%	0.00%
Tobacco	0.00%	0.00%	0.74%
Trucking and related industries	0.50%	0.72%	0.72%
Utilities, electric	2.33%	1.81%	3.47%
Utilities, gas and pipeline	2.88%	2.75%	2.39%
Utilities, telephone	7.55%	5.90%	6.72%
Foreign investments	2.61%	4.52%	6.55%

SOURCE: COLLEGE RETIREMENT EQUITIES FUND

'Unisex' Pensions *Continued from Page 1*

company told Judge Ward, "it would be imprudent . . . for T.I.A.A.-C.R.E.F. to consider any unisex implementation until final judicial review of the issues is completed."

The company said it would propose" a unisex plan participants "faced ity that within a yea pellate resolution . or permit a comple plan or some mater of."

Other lawyers fa case said it was unl posed by the lawsui solved "within a year or less"—particularly since an appeal to the Supreme Court—by either the insurance company or the Equal Employment Opportunity Commission—is likely, however the appeals courts rule. The company has said repeatedly that the Supreme Court must eventually decide the issues raised by the cases.

Female plaintiffs and the E.E.O.C. maintain that unequal monthly payments to women violate the ban on bias in employment and fringe benefits imposed by Title VII of the Civil Rights Act of 1964.

Judge Ward recently reaffirmed a decision he handed down in 1979 holding that Long Island University could not maintain any retirement plan that used sex-based mortality tables for determining benefits.

T.I.A.A.-C.R.E.F. has appealed that decision to the U.S. Court of Appeals for the Second Circuit, which promised to move quickly on the case. A hearing has been set for June 14.

company, in the ted Judge Ward to led by the E.E.O.C. Lewis the New perinte dent. The ission is challeng- jection of one of unisex plans, ment commission ed.

that the company the contractual right to make unilateral amendments as to age or sex" in the plans its members already were participating in.

Said a spokesman for the insurance company: "We can't do anything. Whichever way we have tried to proceed we have been stopped."

But a lawyer familiar with the litigation against T.I.A.A.-C.R.E.F. said, "We were very surprised at the company's statement. We believe it is a violation of the agreement they had worked out with the judge for the handling of future premiums."

Said another lawyer: "What T.I.A.A.-C.R.E.F. is saying is that it is not going to do anything to change the status quo unless ordered to do so by the Supreme Court. It has no intention of doing anything voluntarily, even if an appeals court says it is permissible to have a unisex plan."

Business-School Assembly Adopts Changes in Accreditation Standards

By ROBERT L. JACOBSON

HONOLULU

The association that accredits college and university business schools has voted to give its evaluators considerably more leeway in judging the quality of a school's program.

Officials of the group, the American Assembly of Collegiate Schools of Business, said the action amounted to the most sweeping revision of its accreditation standards since 1969.

They said the changes, adopted at the assembly's annual meeting here, were intended to reduce reliance on purely quantitative factors, such as student-faculty ratios and the percentage of faculty members with doctoral degrees.

The revisions also were designed to give individual schools more flexibility in managing their programs and making faculty assignments, the officials said.

The changes come at a time when the popularity of business education has created a need for many more professors of business than are available or being turned out.

A recent study by the assembly found vacancies in 20 per cent of its member schools' authorized tenure-track positions for professors with doctoral degrees.

Hard to Meet Requirements

Robert S. Kaplan, dean of business at Carnegie-Mellon University and chairman of an assembly study panel, said only about 50 or 60 of the 558 member schools could be considered "significant suppliers of new Ph.D.'s"—producing at least five a year.

The shortage has made it increasingly difficult for the business schools to meet the assembly's requirements for the distribution of full-time faculty members among various subjects, program levels, and administrative units. As a result, there has been growing pressure for reform, with some deans even threatening to withdraw their schools if no changes are made.

Richard R. Weeks, president-elect of the organization and chairman for the past year of its standing committee on standards, acknowledged those concerns at the meeting.

He also observed, however, that the issue of increased flexibility was controversial, and that it remained to be seen how the new standards, whose adoption his committee has recommended, would be applied in actual cases.

"There are some people who believe we're giving away the store," Mr. Weeks said, but he noted that others did not think the revisions went far enough.

Percentages Dropped

In one of the most important changes, business schools will no longer be required to have 40 per cent of their undergraduate credit hours and 75 per cent of their graduate credit hours taught by "full-time doctorally qualified faculty members."

Instead, the schools must now assure only that all students are being given "reasonably comparable opportunity to study with doctoral, full-time, and other qualified faculty."

Mr. Weeks indicated that some schools had been making bad assignments of faculty members just to satisfy the old percentage requirements.

The standards continue to specify that a certain proportion of a school's faculty must have the Ph.D. or its equivalent, and that the school must have the equivalent of one full-time faculty member for every 400 undergraduate credit hours offered, and one for every 300 graduate credit hours, as well.

The assembly did vote to allow schools that do not meet such numerical criteria to demonstrate that they are offering high-quality programs all the same.

Another modification will allow certain faculty members who lack a doctoral degree in the business fields they are teaching but are clearly "developing research competence" in those fields to be counted temporarily among those who have the degree. A limited number of faculty members without doctorates in any field who have "extensive professional involvement and . . . demonstrated research capability" also may be counted as though they had the advanced degrees.

According to the standards committee, one aim of the revisions on personnel is "to provide much greater flexibility in the utilization of personnel resources without diminishing overall high quality in any dimension."

Another change permits business schools to depart somewhat from a rule that all students be given at least one year's exposure to a "common body of knowledge," which includes courses in marketing, economics, accounting, organization theory, and administration. Schools that do so, however, must provide "justification."

"We're willing to be convinced" that such departures do not adversely affect a school's program, said Donald H. Driemeier, dean of the business school at the University of Missouri at St. Louis and outgoing chairman of the assembly's committee on initial accreditation.

> "There are some people who believe we're giving away the store."
>
> *–Richard R. Weeks, association president-elect*

Meanwhile, the assembly also approved a recommendation that official "interpretations" of its criteria be converted to "guidelines," thus encouraging a range of interpretations by accrediting teams.

The new standards also will require schools offering both bachelor's and master's degrees to seek new accreditation of both programs simultaneously. Under the old policy, five years could elapse after one program was reviewed before the other one needed to be inspected.

Mr. Weeks and other assembly officials conceded that many of the revisions would increase the burden on the evaluators seeking to assess a school's quality, and some deans remained unconvinced that their own flexibility was at all assured.

"We may have created the basis for greater flexibility, but we don't know that," said Richard J. Lewis, dean of the College of Business at Michigan State University.

He proposed in a resolution that assembly officials review the standards to see if additional changes would help in that regard. The resolution carried overwhelmingly.

Henry M. Morgan, dean of the School of Management at Boston University, called portions of the new standards on personnel "ambiguous," and said he and officials at other business schools were concerned about negative evaluations because of units beyond their own immediate jurisdiction or control.

On the other side, Ralph Westfall, dean of the College of Business Administration at the University of Illinois at Chicago Circle, said the new standards were "a backward step" that would weaken faculty quality. The assembly should "move ahead and, if anything, raise the standards," he said, while making other efforts to increase the supply of first-rate faculty members.

Assembly leaders said repeatedly at the meeting that the revisions were not meant to lower the standards.

Training of Evaluators

Mindful of such concerns, however, the assembly's new president, Lawrence E. McKibbin, dean of the College of Business Administration at the University of Oklahoma, announced plans to establish a special committee to help put the changes into effect.

The outgoing president, Bill R. Moeckel, dean of the business school at Miami University (Ohio), said the assembly would have to take "a great deal of care" in training evaluators to follow a more flexible approach.

William K. Laidlaw, Jr., executive vice-president of the assembly, said the key issue was whether evaluators would be able to turn down a low-quality school even if it technically satisfied the remaining numerical criteria. He added that if the teams relied too heavily on numbers, they would be "reined back in."

The changes in the standards mark a new stage in a reform movement that began several years ago with the transfer of authority to interpret the assembly's rules from a small appointed committee to its full council of accredited institutions.

Actions at the latest meeting brought to 231 the number of schools whose programs are accredited by the assembly. The council approved committee recommendations to accredit 8 of 15 applications at the bachelor's level and 24 of 29 applications at the master's level.

The other applications were either deferred or denied, but under an assembly policy the schools were not identified. Neither were two other schools whose programs were placed on probation.

The assembly also separately accredited 35 programs in accounting at 18 institutions—the first time it has given such recognition to a specialty within the business curriculum. The assembly decided to provide that accreditation two years ago, after professional accounting groups had threatened to establish their own accrediting process.

Accredited vs. Nonaccredited

At the latest assembly meeting, a controversy arose over the relationship between accredited business schools and several hundred nonaccredited schools that also belong to the assembly but do not have a vote on accreditation matters.

Lowell C. Smith, president of Nichols College, a private nonprofit institution devoted mainly to business education, challenged statements contained in a brochure published by the assembly that he said put accredited schools in a "favorable competitive position" over nonaccredited schools in recruiting high-school graduates.

Nichols College is not accredited by the assembly.

Mr. Smith said he was especially unhappy about a statement that while there were "probably good-quality schools not presently accredited" by the assembly, accreditation provided "certification that schools have met certain widely recognized and accepted standards."

The assembly passed the motion introduced by Mr. Smith urging its board of directors to stop publishing the brochure.

Washington Notes

Continued from Preceding Page

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withdrawn because of allegations against the college in a Department of Education audit.

The proposal to give ownership of the land to D-Q University previously appeared to have strong support in the House Subcommittee on Postsecondary Education. However, it was quickly withdrawn after the damaging report was leaked to a newspaper. The report, which accused the college of padding its enrollment figures, "did massive public-relations and political damage to D-Q," said the bill's sponsor, Rep. Vic Fazio, Democrat of California.

Mr. Fazio criticized the auditor's findings as "unsystematic, incomplete, unspecific, and in one case naively prejudiced." But he withdrew the bill after concluding that the contents of the report were "fatal" to the college.

• New Members Appointed to Humanities Council

President Reagan has named six new members of the National Council on the Humanities, which oversees the operation of the National Endowment for the Humanities:

Rita R. Campbell, senior fellow, Hoover Institution.

A. Lawrence Chickering, executive director, Institute for Contemporary Studies, San Francisco.

Jeffrey Hart, professor of English literature, Dartmouth College.

Gertrude Himmelfarb, chairman of history, City University of New York.

James C. Lalorce, Jr., dean of the graduate school of management, University of California at Los Angeles.

Peter J. Stanlis, professor of English, Rockford College.

• Briefly Noted

The Senate Committee on Labor and Human Resources has sent to the full Senate the nomination of Clarence Thomas, director of the Education Department's Office for Civil Rights, to be chairman of the Equal Employment Opportunity Commission. . . . The Senate Select Committee on Indian Affairs has reported a bill, s 792, that would establish a National Institute of Native American Culture and Arts Development. The measure would authorize $4-million in fiscal 1983 for the institute. . . . Sen. Orrin G. Hatch, Republican of Utah and chairman of the Senate Labor and Human Resources Committee, has issued a report calling for employers to be found in compliance with affirmative-action rules if they have made "good-faith efforts" to promote equal employment opportunity. Based on hearings his committee conducted on the Labor Department's Office of Federal Contract Compliance Programs, Mr. Hatch urged that the agency emphasize training women and members of minority groups for skilled jobs and let the Equal Employment Opportunity Commission investigate all complaints of job bias.

In Federal Agencies

Energy Department rules. The Department of Energy has published an agenda of the regulations it will review or develop during the next six months. (*Federal Register*, May 4, pages 19,304-6.)

Health institute. The Public Health Service has published a notice outlining organizational changes in the National Institute of Arthritis, Diabetes, and Digestive and Kidney Diseases. (*Federal Register*, April 30, pages 18,673-5.)

Labor Department rules. The Department of Labor has published an agenda of the regulations it will review or develop during the next six months. (*Federal Register*, April 30, pages 18,706-27.)

Science foundation. The National Science Foundation has published a list of regulations it will review or develop within the next six months. (*Federal Register*, April 30, page 18,634.)

Student aid. The Department of Education has published final regulations governing the award of unused College Work-Study funds. (*Federal Register*, May 3, pages 18,852-54.)

Student aid. The Department of Education has proposed amendments to its regulations for the Pell Grant and other student-assistance programs. The proposed changes would establish specific academic-progress standards for students who receive federal financial aid, and also would establish accountability requirements for the institutions the students attend. The public has until June 3 to comment. (*Federal Register*, May 4, pages 19,288-95.)

Student loans. The Department of Education has published a notice amending the family-contribution schedule for the agency's Guaranteed Student Loan program. The new rules change the eligibility formulas for college students from upper-income families, and specify that students declaring themselves financially independent must receive less than $750 a year from their parents and cannot live more than six weeks at home during the year. The revisions apply to loans awarded between July 1, 1982, and June 30, 1983. (*Federal Register*, May 3, pages 19,086-7.)

Veterans' education. The Veterans Administration has published proposed regulations that would liberalize the method of determining the last date a surviving spouse of a veteran may receive dependents' education assistance. The regulations would also liberalize the approval requirements for nonaccredited courses. The public may comment until June 1. (*Federal Register*, May 3, pages 19,380-1.)

Congressional Hearings

WASHINGTON

The following Congressional hearings of interest to educators and scientists are scheduled for coming weeks. Since times, places, and witnesses frequently change with little advance notice, it is advisable to check with committees by telephone on or near the appointed dates.

SENATE

Humanities appropriations. May 11. Hearing on the proposed fiscal 1983 budget for the National Endowment for the Humanities. Contact: Senate Appropriations Subcommittee on the Interior and Related Agencies, (202) 224-7282.

High technology. May 11. Hearing on the effectiveness of the federal government in enforcing export controls to limit the transfer of high technology to the Soviet Union. Contact: Senate Governmental Affairs Subcommittee on Investigations, (202) 224-9721.

Guidance and counseling. May 12. Oversight hearing on the guidance and counseling programs of the Department of Education. Contact: Senate Committee on Labor and Resources, Subcommittee on Education, Arts, and Humanities, (202) 224-2962.

Student Loan Marketing Association. May 12. Oversight hearing on student financial aid and the Student Loan Marketing Association. Contact: Senate Committee on Labor and Resources, Subcommittee on Education, Arts, and Humanities, (202) 224-2962.

Indian education. May 18 and 19. Oversight hearings on Indian-education programs. Contact: Senate Select Committee on Indian Affairs, (202) 224-2466.

HOUSE OF REPRESENTATIVES

Museum appropriations. May 10. Hearing on the proposed fiscal 1983 budget for the Institute of Museum Services. Contact: House Appropriations Subcommittee on the Interior, (202) 225-3081.

Teacher excellence. May 11. Mark-up of H.R. 835, 436, to create state commissions on teacher excellence. Contact: House Subcommittee on Postsecondary Education, (202) 225-4881.

Student financial aid. May 12-13. Hearings on proposed redefinition of student financial assistance under civil-rights laws. Contact: House Subcommittee on Postsecondary Education, (202) 225-4881.

Arts appropriations. May 19. Hearing on the proposed fiscal 1983 budget for the National Endowment for the Arts. Contact: House Appropriations Subcommittee on the Interior, (202) 225-3081.

FACT-FILE

Colleges and Universities Among the Top 500 Defense Contractors, 1981

	Amount of contracts (add 000)	Rank in top 500		Amount of contracts (add 000)	Rank in top 500
Johns Hopkins U.	$186,350	13	Rensselaer Poly. Inst.	$1,942	279
Mass. Inst. of Tech	163,827	15	U. of Hawaii	1,895	284
Ill. Inst. of Tech	36,452	48	New Mexico Inst. of Mining and Tech.	1,843	285
U. of California	29,878	57	U. of Pittsburgh	1,826	287
Ga. Inst. of Tech Research Institute	18,261	72	New York Polytechnic Inst.	1,783	292
Stanford U.	18,004	74	New York St. U. Research Fdn.	1,780	295
U. of Texas	16,514	78	U. of Rhode Island	1,749	299
U. of Rochester	15,044	86	U. of Florida	1,725	301
Pennsylvania St. U.	15,018	87	U. of Central Fla.	1,717	303
U. of Dayton	13,551	93	Texas Tech. U.	1,695	304
U. of Washington	13,529	94	Stevens Inst. of Technology	1,669	311
U. of Southern Cal.	12,614	97	Florida State U.	1,659	314
Utah State U.	8,700	121	U. of Utah	1,647	316
Carnegie-Mellon U.	7,295	135	Wentworth Inst. of Technology	1,627	321
U. of Maryland	6,775	138	U. of Colorado	1,607	322
U. of New Mexico	5,631	140	Syracuse U.	1,587	325
U. of Illinois	6,148	144	U. of Massachusetts	1,577	326
Ga. Inst. of Tech.	5,437	154	Northeastern U.	1,554	328
U. of Pennsylvania	5,424	155	Brown U.	1,341	353
Columbia U.	5,324	156	Duke U.	1,335	355
Cornell U.	4,087	179	U. of Virginia	1,297	362
U. of Wisconsin	4,047	185	Georgetown U.	1,257	368
New Mexico St. U.	3,994	186	U. of Iowa	1,223	374
Cal. Inst. of Tech.	3,981	187	No. Carolina St. U.	1,201	380
U. of Michigan	3,504	199	U. of Alabama	1,158	387
Ohio State U. Research Fdn.	3,450	201	Ohio State U.	1,149	389
U. of Arizona	3,436	203	New York U.	1,134	392
Oregon State U.	3,380	207	Lehigh U.	1,099	399
Texas A&M Research Fdn.	3,005	226	U. of Denver	1,084	401
Boston College	2,868	229	U. of Tennessee	1,061	407
Yale U.	2,801	231	U. of Missouri	1,040	416
U. of Miami	2,795	233	Washington U. (Mo.)	1,033	418
Princeton U.	2,684	236	Louisiana State U.	1,020	420
Boston U.	2,584	241	Clemson U.	963	430
Harvard U.	2,576	242	Drexel U.	952	436
Northwestern U.	2,514	248	Washington St. U.	935	442
Colorado State U.	2,344	253	Michigan State U.	883	458
Case Western Reserve U.	2,335	254	U. of No. Carolina	859	480
George Washington U.	2,307	256	Emmanuel College (Mass.)	813	473
Virginia Poly. Inst. and St. U.	2,204	259	Michigan Tech. U.	787	482
Oklahoma State U.	2,177	263	Syracuse U. Research Corp.	775	490
U. of Minnesota	1,980	277			
Purdue U. Research Fdn.	1,952	278			

SOURCE: U.S. DEPARTMENT OF DEFENSE

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